

1 BILL NO. R-83-06-03

2 RESOLUTION NO. R-3583

3 A RESOLUTION FINDING, DETERMINING
4 AND RATIFYING AN INDUCEMENT RESOLUTION
5 OF THE FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION
6 AUTHORIZING THE ISSUANCE AND SALE OF
7 \$500,000.00 ECONOMIC REVENUE BONDS OF THE
8 CITY OF FORT WAYNE, INDIANA,
9 FOR THE PURPOSE OF INDUCING THE APPLICANT,
10 MILL SUPPLIES, INC.
11 TO PROCEED WITH THE ACQUISITION
12 CONSTRUCTION AND EQUIPPING OF THE PROJECT.

13 WHEREAS, the City of Fort Wayne, Indiana, (the "Issuer") is
14 authorized by I.C. Sec. 36-7-12 (the "Act") to issue revenue
15 bonds for the financing of economic development facilities, the
16 funds from said financing to be used for the acquisition,
17 construction and equipping of said facilities, and said facili-
18 ties to be either sold or leased to another person or directly
19 owned by another person; and

20 WHEREAS, Mill Supplies, Inc. (the "Applicant") has advised
21 the Fort Wayne Economic Development Commission and the Issuer
22 that it proposes that the Issuer acquire and equip an economic
23 development facility and sell and/or lease the same to the
24 Applicant or loan proceeds of an economic development financing
25 to the Applicant for the same, said economic development faci-
lity to be purchase of real estate and building, including
equipment and computer system located at 5105 Industrial Road,
Fort Wayne, Indiana, containing approximately 3.78 acres,
including the costs of issuance (the "Project"); and

26 WHEREAS, the diversification of industry and an increase in
27 15 full-time and 4 part-time jobs to be achieved by acquisition
28 and construction and equipping of the Project will be of public
29 benefit to the health, safety and general welfare of the Issuer
30 and its citizens; and

31 WHEREAS, having received the advice of the Fort Wayne
32 Economic Development Commission, it would appear that the

1 financing of the Project would be of public benefit to the
2 health, safety and general welfare of the Issuer and its
3 citizens; and

4 WHEREAS, the acquisition and construction of the faci-
5 lity will not have an adverse effect on any similar facility
6 already constructed or operating in or about Fort Wayne,
7 Indiana.

8 NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF
9 THE CITY OF FORT WAYNE, INDIANA:

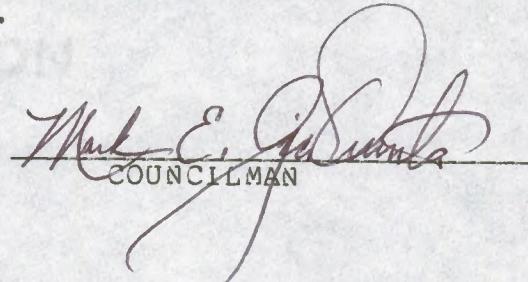
10 SECTION 1. The Common Council finds, determines, rati-
11 fies and confirms the promotion of diversification of economic
12 development and job opportunities in and near Fort Wayne,
13 Indiana and in Allen County, is desirable to preserve the
14 health, safety and general welfare of the citizens of the
15 Issuer; and that it is in the public interest that Fort Wayne
16 Economic Development Commission and said Issuer take such action
17 as it lawfully may to encourage diversification of industry and
18 promotion of job opportunities in and near said Issuer.

19 SECTION 2. The Common Council further finds, deter-
20 mines, ratifies and confirms that the issuance and sale of reve-
21 nue bonds in an amount not to exceed \$500,000.00 of the Issuer
22 under the Act for the acquisition, construction and equipping of
23 the Project and the sale or leasing of such a financing to the
24 Applicant for such purposes will serve the public purpose
25 referred to above, in accordance with the Act.

26 SECTION 3. In order to induce the Applicant to proceed
27 with the acquisition, construction and equipping of the Project,
28 the Common Council hereby finds, determines, ratifies and con-
29 firms that (i) it will take or cause to be taken such actions
30 pursuant to the Act as may be required to implement the afore-
31 said financing, or as it may deem appropriate in pursuance
32 thereof, provided that all of the foregoing shall be mutually

1 acceptable to the Issuer and the Applicant; and (ii) it will
2 adopt such ordinances and resolutions and authorize the execu-
3 tion and delivery of such instruments and the taking of such
4 action as may be necessary and advisable for the authorization,
5 issuance and sale of said economic development bonds.

6 SECTION 4. All costs of the Project incurred after the
7 passage of this Inducement Resolution, including disbursement or
8 repayment of the Applicant of monies expended by the Applicant
9 for planning, engineering, interest paid during construction,
10 underwriting expenses, attorney and bond counsel fees, acquisi-
11 tion, construction and equipping of the Project will be per-
12 mitted to be included as part of the bond issue to finance said
13 Project, and the Issuer will thereafter either sell or lease the
14 same to the Applicant or loan the proceeds of such financing to
15 the Applicant for the same purposes.

16
17 
18 COUNCILMAN

19 APPROVED AS TO FORM AND
20 LEGALITY.

21 
22 John J. Wernet, Attorney for the
23 Economic Development Commission
24 Dated this 8 day of June, 1983

Read the first time in full and on motion by GiaQuinta, seconded by Stier, and duly adopted, read the second time by title and referred to the Committee Finance (and the City Plan Commission for recommendation) and Public Hearing to be held after due legal notice, at the Council Chambers, City-County Building, Fort Wayne, Indiana, on _____, the _____ day of _____, 19_____, at _____ o'clock A.M., E.S.T.

DATE: 6-14-83

Sandra F. Kennedy
CITY CLERK

Read the third time in full and on motion by GiaQuinta, seconded by Stier, and duly adopted, placed on its passage. PASSED (LOST) by the following vote:

	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAINED</u>	<u>ABSENT</u>	<u>TO-WIT:</u>
<u>TOTAL VOTES</u>	<u>9</u>	—	—	—	—
<u>BRADBURY</u>	<u>✓</u>	—	—	—	—
<u>BURNS</u>	<u>✓</u>	—	—	—	—
<u>EISBART</u>	<u>✓</u>	—	—	—	—
<u>GiaQUINTA</u>	<u>✓</u>	—	—	—	—
<u>SCHMIDT</u>	<u>✓</u>	—	—	—	—
<u>SCHOMBURG</u>	<u>✓</u>	—	—	—	—
<u>SCRUGGS</u>	<u>✓</u>	—	—	—	—
<u>STIER</u>	<u>✓</u>	—	—	—	—
<u>TALARICO</u>	<u>✓</u>	—	—	—	—

DATE: 6-28-83.

Sandra F. Kennedy
- CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as (ZONING MAP) (GENERAL) (ANNEXATION) (SPECIAL) (APPROPRIATION) ORDINANCE (RESOLUTION) NO. R-35-83 on the 28th day of June, 1983.

ATTEST:

(SEAL)

Sandra F. Kennedy

CITY CLERK

Bay-Lake Park
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 29th day of June, 1983, at the hour of 11:30 o'clock A.M., E.S.T.

Sandra F. Kennedy
CITY CLERK

Approved and signed by me this 30th day of June 1983, at the hour of 4 o'clock P.M., E.S.T.

Win Moses Jr.
WIN MOSES, JR. - MAYOR

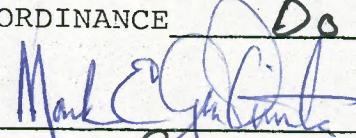
R-83-06-03
BILL NO. _____

REPORT OF THE COMMITTEE ON FINANCE

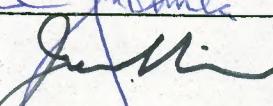
WE, YOUR COMMITTEE ON FINANCE TO WHOM WAS REFERRED AN
ORDINANCE A RESOLUTION FINDING, DETERMINING AND RATIFYING AN
INDUCEMENT RESOLUTION OF THE FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION
AUTHORIZING THE ISSUANCE AND SALE OF \$500,000.00 ECONOMIC REVENUE BONDS
OF THE CITY OF FORT WAYNE, INDIANA, FOR THE PURPOSE OF INDUCING THE
APPLICANT, MILL SUPPLIES, INC. TO PROCEED WITH THE ACQUISITION CONSTRUCTION
AND EQUIPPING OF THE PROJECT

HAVE HAD SAID ORDINANCE UNDER CONSIDERATION AND BEG LEAVE TO REPORT
BACK TO THE COMMON COUNCIL THAT SAID ORDINANCE Do PASS.

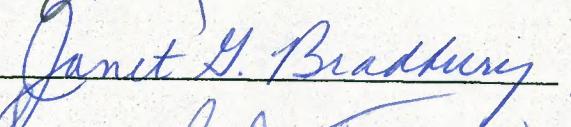
MARK E. GIAQUINTA, CHAIRMAN


Mark E. Giacinta

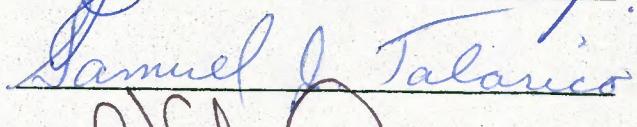
JAMES S. STIER, VICE CHAIRMAN


James S. Stier

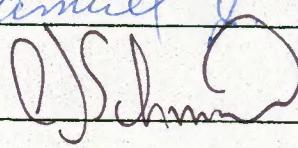
JANET G. BRADBURY

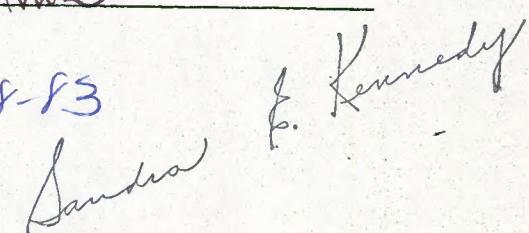

Janet G. Bradbury

SAMUEL J. TALARICO


Samuel J. Talarico

DONALD J. SCHMIDT


Donald J. Schmidt


Sandra F. Kennedy

Admn. Appr. _____

DIGEST SHEET

Q-83-06-03

TITLE OF ORDINANCE Resolution for issuance and sale \$500,000 revenue bonds.

DEPARTMENT REQUESTING ORDINANCE Economic Development Commission

SYNOPSIS OF ORDINANCE Resolution ratifying an Inducement Resolution

of the Fort Wayne Economic Development Commission for the purpose of

inducing the Applicant, Mill Supplies, Inc., to proceed with project,

to be purchase of real estate and building, including equipment and

computer system located at 5105 Industrial Road, Fort Wayne, Indiana

including costs of issuance.

EFFECT OF PASSAGE Purchase of real estate and building for expansion needs of Applicant, with an increase in 15 full-time and 4 part-time jobs within year of project completion.

EFFECT OF NON-PASSAGE None of the above.

MONEY INVOLVED (DIRECT COSTS, EXPENDITURES, SAVINGS) None.

ASSIGNED TO COMMITTEE (PRESIDENT) _____

APPLICATION TO
FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION
FOR "LOANS THROUGH LENDERS" PROGRAM
FORT WAYNE, INDIANA

I. GENERAL INFORMATION

A. Name of Applicant: Mill Supplies, Inc.

B. Applicant's Principal Address: 515 Franke Park Drive
Fort Wayne, In. 46808 Telephone: (219) 484-8566

C. Applicant's legal organization (e.g. corporation, partnership, sole proprietorship, joint venture, etc.):
Corporation

D. Under laws of what state is the applicant organized?:
Indiana

E. Business in which applicant is engaged: Wholesale
Distribution of Industrial Supplies and Tools

(1) S.I.C. Code: 5098

F. How long has applicant been in operation in Allen County?:
Since 1959 - 25 Years

II. MANAGEMENT

A. Principal Operating Personnel:

Name	Title
<u>James Beckstein</u>	<u>President</u>
<u>Janet Beckstein</u>	<u>Secretary/Treasurer</u>

B. All persons or firms having an ownership interest of 10% or more in the applicant organization.

Name

% Ownership

Janet Beckstein

51

James Beckstein

49

C. Persons who have either a legal interest in the applicant or a debt obligation from/to the applicant, and are a member of either the Fort Wayne Economic Development Commission, Common Council of Fort Wayne, or Allen County Council:

None

D. Has any person listed above been convicted of a felony, or convicted of, or enjoined from any violation of a state or federal securities law within the past ten years:

Yes _____ No X

III. PROPOSED PROJECT

A. Briefly describe the proposed project (attach renderings if available): Purchase of Real Estate and a Building in order to facilitate our expansion needs. This is an existing facility located in Fort Wayne.

B. Proposed amount of bond issue: \$500,000

C. How are the proceeds of the issue to be used (Itemize by category of expenditure):

\$425,000 Purchase Land and Building

75,000 Purchase of Computer System and Related Office Equipment

D. Additional finance sources to be used if bond issue is not sufficient to complete proposed project:

Peoples Trust Bank - Fort Wayne, In.

E. Where is the proposed project to be located (Give both street address and legal description): _____

5105 Industrial Road, Fort Wayne, In.

(1) Is project solely within the city limits of Fort Wayne: Yes: X No: _____

(2) If no, will you waive your right to remonstrate annexation: Yes: _____ No: _____

(3) Is project solely within the Fort Wayne Community School District: Yes: X No: _____

(4) If no, name of school district in which project is located. _____

F. Approximate size of tract or parcel on which project will be situated: 3.78 Acres

G. Will any portion of proposed project be leased from another entity: Yes: _____ No: X

(1) If yes, name entity and describe portion to be leased: Service Area of building will be leased to another tenant by Mill Supplies.

H. What is existing zoning classification on parcel:

M-2 Gen. Ind.

I. What zoning classification does project require:

M-2 Gen. Ind.

J. Are water and sewer available for access:

Yes: X / No: _____

(1) If no, how will access to these utilities be obtained: _____

K. Are septic tanks or other temporary sewage treatment and disposal facilities to be used in lieu of sewer:

Yes: No: x

(1) If yes, describe facility: _____

None

L. Briefly describe any adverse environmental impact upon land, air, water or noise which is anticipated as a result of the proposed project: _____

None

IV. JOBS AND PAYROLLS -

A. Number of Employees:

(1) At time of application: 17

Full Time: 14 Part Time: 3

(2) Within year of project completion: 19

Full Time: 15 Part Time: 4

(3) Within 3 years of project completion: 24

Full Time: 20 Part Time: 4

B. Briefly describe the category and nature of the new jobs to be created: Within first year, additional full time employee will be outside salesman. Within 3 years additional full time employees will be 2 - Outside Salesmen 2 - Inside Salesmen 1 - Clerical or office Worker 1 - Warehouse Employee

C. Annual Payroll:

(1) At time of application: \$347,255

(2) Within year of project completion: \$395,455

(3) Within 3 years of project completion: \$553,000

D. If project is not funded by the "Loan Through Lenders" program, is there a substantial possibility of loss of existing jobs in Allen County: Yes: No: X

(1) If yes, give number of jobs to be lost and approximate annual payroll loss:

N/A

V. MISCELLANEOUS INFORMATION -

A. Applicant's net worth as of the end of the calendar quarter preceding the date of application:

\$251,806.00 Less Treasury Stock \$56,575.00 = \$195,231.00

B. Has the proposed project been informally reviewed by bond counsel: Yes: No: X

(1) If yes, what is name of bond counsel firm:

C. Name, address and telephone of contact person for further details on project:

Jim Beckstein - President 515 Franke Park Dr. 484-8566
S.I.R.

Michael Dahm - CPM 1910 Fort Wayne National Bank 423-4311

Jerrald Crowell - Attorney 1900 Fort Wayne Nation Bank 426-445

Larry Sims - Loan Officer One Summit Sq. Peoples Trust 427-8333

Mike DeWald - CPA 1610 Spy Run Ave. 423-2414

VI. APPLICANT'S CERTIFICATION

I/We certify that all information in this application and attached exhibits are true and complete to the best of my/our knowledge and belief. Verification may be obtained from any source named herein.

Janet E Beckstein
(Signature)

May 13, 1983
(Date)

James S Beckstein
(Signature)

VII. EXHIBITS

- A. Applicant's Financial Statements (for past 3 years). (Attached)
- B. Applicant's Two Year Income Projection. (Attached)
- C. Breakdown of project costs with written estimates from contractors and suppliers. (None)
- D. Proof of applicant's equity contribution (if any). (None)
- E. Schedule of Applicant's existing debt and encumbered assets. (Attached)
- F. Personal financial statements for each owner (if applicable). (Attached)
- G. Letter of commitment from local lender for a letter of credit. (To Follow)

Return to:

E.D.C. Coordinator
Department of Economic Development
City County Building, Room 840
One Main Street
Fort Wayne, IN 46802

(219) 427-1127

Balance SheetMill Supplies, Inc., Fort Wayne,

	December 31, 1982	December 31, 1981	
<u>Assets</u>			
<u>Current Assets</u>			<u>Current Liabilities</u>
Cash	\$ 14,090.13	\$ 6,024.98	Current payables
Accounts receivable (net of allowance for doubtful accounts of \$8,000.00 and \$7,177.68, respectively) - Notes 1 and 2	195,622.32	176,625.27	Note payable
Inventory - Notes 1, 2 and 4	246,715.91	171,888.46	Note payable
Prepaid expenses	2,184.50	11,500.20	Note 3
<u>Total Current Assets</u>	<u>458,612.86</u>	<u>366,038.91</u>	Accounts receivable
<u>Fixed Assets - at cost - Note 1 - Schedule 1</u>			Indiana state employees
Tools and equipment	1,878.12	1,878.12	Accrued expenses
Leasehold improvements	3,828.77	3,828.77	Wages
Office equipment	14,532.92	14,532.92	Taxes
Warehouse equipment	10,560.64	9,710.64	Indianapolis
Less accumulated depreciation	30,800.45	29,950.45	Federal taxes
<u>Net Fixed Assets</u>	<u>20,892.00</u>	<u>17,620.00</u>	Long-Term Note payable
	9,908.45	12,330.45	Note 4
<u>Other Assets</u>			Less current assets
Cash surrender value of officer's life insurance	-0-	2,940.00	Stockholders' equity
			Common stock
			Preferred stock
			Authorizations
			Issued shares
			Average price per share
			Additional paid-in capital
			Retained earnings
			Less treasury stock
	<u>\$ 468,521.31</u>	<u>\$ 381,309.36</u>	

See accountants' compilation report and notes to financial statements.

Balance Sheet

es, Inc., Fort Wayne, Indiana

Mr 31,
31

December 31,
1982

December 31,
1981

Liabilities and Stockholders' Equity

Current Liabilities

Current portion of long-term liabilities	\$ 5,499.96	\$ 5,499.96
Note payable - bank - Note 2	128,854.50	96,033.36
Note payable - M. Bollinger - Note 3	-o-	1,675.49
Accounts payable - trade	118,162.57	101,086.51
Indiana sales tax collected	1,241.22	444.48
Employees' payroll deductions	3,298.48	760.75
Accrued expenses:		
Wages and bonuses	4,794.93	5,338.06
Taxes - other	5,084.44	3,392.39
Indiana income tax payable	4,295.38	3,418.14
Federal income tax payable	-o-	1,212.82
Total Current Liabilities	271,231.48	218,861.96

Long-Term Liabilities

Note payable - V. Brames -		
Note 4	11,458.49	16,958.45
Less current portion	5,499.96	5,499.96
<u>Total Long-Term Liabilities</u>	<u>5,958.53</u>	<u>11,458.49</u>
Total Liabilities	277,190.01	230,320.45

Stockholders' Equity

Common stock - par value \$100.00

per share:

Authorized - 500 shares

Issued and outstanding - 150

shares of which 50 sh

are held as treasury sto

Less treasury stock - at cost

	15,000.00	15,000.00
	10,000.00	10,000.00
	222,906.30	<u>182,563.91</u>
	247,906.30	207,563.91
	56,575.00	56,575.00
	<u>191,331.30</u>	<u>150,988.91</u>
\$	468,521.31	\$ 381,309.36

Statement of Earnings

Mill Supplies, Inc., Fort Wayne, Indiana

	<u>Year Ended December 31,</u>	
	<u>1982</u>	<u>1981</u>
<u>Revenues</u>		
Net sales	\$ 2,061,615.36	\$ 2,188,735.77
Other income	1,042.24	117.70
	<u>2,062,657.60</u>	<u>2,188,853.47</u>
<u>Costs and Expenses</u>		
Cost of goods sold	1,454,582.59	1,593,494.08
Warehouse - Schedule 2	73,596.16	73,828.14
Delivery - outside cartage - net	5,748.30	6,193.91
Interest expense	20,146.50	25,178.06
General and administrative -		
Schedule 2	266,208.16	235,808.84
Selling - Schedule 2	188,434.15	177,534.17
	<u>2,008,715.86</u>	<u>2,112,037.20</u>
<u>Earnings Before Provision for Income Taxes</u>		
	53,941.74	76,816.27
<u>Provision for Income Taxes -</u>		
Note 6	<u>13,599.35</u>	<u>18,498.86</u>
<u>Net Earnings</u>	<u>\$ 40,342.39</u>	<u>\$ 58,317.41</u>

Balance Sheet

Mill Supplies, Inc., Fort W.

December 31, December 31,
____ 1980 1979

Assets

Current Assets

	\$ 21,905.53	\$ 4,549.02	Cu Cu
Cash			
Accounts receivable (net of allowance for doubtful accounts of \$7,884.44 and \$16,000.00, respectively) - Notes 1 and 2	182,031.77	138,251.32	No No Ac
Inventory - merchandise - Notes 1 and 6	118,632.36	122,806.57	In Em Ac
Inventory - special orders - Notes 1 and 6	-o-	63,456.92	
Prepaid expenses	3,172.94	3,562.50	
<u>Total Current Assets</u>	<u>325,742.60</u>	<u>332,626.33</u>	

Fixed Assets - at cost - Note 1 -

Schedule 1

Leasehold improvements	3,828.77	2,595.00	Long Note
Office equipment	12,980.04	11,578.64	
Warehouse equipment	4,198.64	3,748.64	1
	21,007.45	17,922.28	Not ed
Less accumulated depreciation	15,042.58	13,610.20	
<u>Net Fixed Assets</u>	<u>5,964.87</u>	<u>4,312.08</u>	Not ed

Other Assets

Cash surrender value of officer's life insurance 2,310.00 1,680.00

See accountants' compilation report and notes to financial statements

Balance Sheetplies, Inc., Fort Wayne, Indianaember 31,
1979December 31,
1980 December 31,
1979Liabilities and Stockholder's EquityCurrent Liabilities

4,549.02	Current portion of long-term liabilities	\$ 22,366.57	\$ 11,644.46
	Notes payable - other	-o-	1,000.00
138,251.32	Note payable - bank - Note 2	101,511.92	38,295.89
	Accounts payable - trade	80,316.89	157,282.12
22,806.57	Indiana sales tax collected	383.91	387.42
	Employees' payroll deductions	387.54	325.82
63,456.92	Accrued expenses:		
3,562.50	Taxes - payroll	238.09	40.24
32,626.33	Taxes - local property	4,177.58	3,804.44
	Interest	372.00	1,022.60
	Wages and bonuses	12,961.43	1,146.31
	<u>Total Current Liabilities</u>	<u>222,715.93</u>	<u>214,949.30</u>

Long-Term Liabilities

2,595.00	Notes payable - V. Brames -		
11,578.64	Note 6	23,462.06	30,646.56
3,748.64	Notes payable - M. Bollinger -		
17,922.28	Note 7	5,134.55	8,594.52
13,610.20	Note payable - related party - Note 5	12,400.00	29,000.00
4,312.08	Less current portion	40,996.61	68,241.08
	<u>Total Long-Term Liabilities</u>	<u>22,366.57</u>	<u>11,644.46</u>
1,680.00	<u>Total Liabilities</u>	<u>18,630.04</u>	<u>56,596.62</u>
		<u>241,345.97</u>	<u>271,545.92</u>

Stockholder's Equity

Common stock - par value \$100.00 per share:			
Authorized - 500 shares			
Issued and outstanding - 150 shares			
of which 50 shares are held as			
treasury stock			
Additional paid-in capital	15,000.00	15,000.00	
Retained earnings - Exhibit B	10,000.00	10,000.00	
Less treasury stock - at cost -	124,246.50	98,647.49	
Note 2	149,246.50	123,647.49	
	56,575.00	56,575.00	
<u>Total Stockholder's Equity</u>	<u>92,671.50</u>	<u>67,072.49</u>	

8,618.41	\$ 334,017.47	\$ 338,618.41
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Statement of EarningsMill Supplies, Inc., Fort Wayne, Indiana

	<u>Year Ended December 31,</u>	
	<u>1980</u>	<u>1979</u>
<u>Revenues</u>		
Net sales	\$ 1,840,699.46	\$ 1,591,028.08
Other income	825.87	186.44
	<u>1,841,525.33</u>	<u>1,591,214.52</u>
<u>Costs and Expenses</u>		
Cost of goods sold	1,373,466.09	1,206,149.09
Warehouse - Schedule 2	52,803.90	45,622.70
Delivery - outside cartage - net	5,462.15	3,784.72
General and administrative - Schedule 2	225,001.80	206,436.92
Selling - Schedule 2	159,192.38	126,014.60
	<u>1,815,926.32</u>	<u>1,588,008.03</u>
<u>Net Earnings</u>	<u>\$ 25,599.01</u>	<u>\$ 3,206.49</u>

MILL SUPPLIES, INC.
Income Projection For 1983 and 1984

EXHIBIT B	For 12 months ending 12/31/83	For 12 months en
ROSS SALES	\$2,487,838	\$2,823,490
Less: Sales Returns	29,676	33,680
Add: Freight Out	14,838	16,840
ET SALES	\$2,473,000	\$2,806,650
Cost of Goods Sold	\$1,850,413	\$2,062,888
Less: Discounts Earned	34,622	39,293
ET COST OF GOODS SOLD	\$1,815,791	\$2,023,595
GROSS MARGIN	657,209	783,055
<u>Less: Operating Expenses</u>		
* Warehouse Expense	83,993	99,633
Delivery - Outside Cartage	19,784	22,453
* General and Administrative	291,902	334,191
* Selling Expense	203,889	241,900
TOTAL OPERATING EXPENSES	\$599,568	\$698,177
ET PROFIT FROM OPERATIONS	57,641	84,878
Miscellaneous Income	2,400	1,200
ET PROFIT BEFORE INCOME TAXES	60,041	86,078
INCOME TAXES	6,564	24,124
ET PROFIT	\$53,477	\$61,954

* SEE ATTACHED SCHEDULE FOR DETAIL- ALL FIGURES TO NEAREST DOLLAR.

FILE SUPPLIES, INC.
Projection of Operating Expenses
For 1983 and 1984

EXHIBIT B

	1983	For 12 months ending 1984
WAREHOUSE EXPENSE		
Salaries & Wages	\$46,106	\$48,412
Rent Expense	19,800	27,657
Heat, Light & Power	4,989	5,940
Repairs & Maintenance	1,800	2,400
Packing Supplies	1,200	1,500
Miscellaneous	900	1,200
Depreciation Expense	5,159	6,524
Building Maintenance	3,439	4,800
M.S.I. Tool Repair Expense	600	1,200
 TOTAL WAREHOUSE EXPENSE	 \$83,993	 \$99,633
GENERAL & ADMINISTRATIVE EXPENSE		
Officer's Salaries	\$75,995	\$80,555
Office Wages	83,148	90,305
Office Supplies	6,300	7,297
Postage Expense	6,182	7,017
Depreciation Expense	780	11,924
Travel Expense	300	500
Donations	1,500	1,500
Dues & Subscriptions	2,004	2,100
Insurance-Property & Casualty	4,951	6,459
Officer's Life Insurance	7,692	8,850
Group Insurance	11,430	12,746
Legal & Accounting	16,140	4,200
Payroll Taxes	23,070	25,592
Property Taxes	6,411	12,033
Telephone Expense	18,588	19,888
Miscellaneous Expense	600	600
Credit & Collections	1,200	1,500
Gross Income Tax	8,037	8,771
Employment Fees	120	300
Interest Expense	17,454	23,414
Data Processing Maintenance	--	8,640
 TOTAL GENERAL & ADMINISTRATIVE EXPENSE	 \$291,902	 \$334,191
SELLING EXPENSE		
Salesmen Salaries	\$51,344	\$75,144
Salesmen Commissions	90,662	101,039
Sales Travel Expense	12,600	14,400
Salesmen Supplies	720	600
Advertising & Promotion	15,540	15,900
Catalog Expense	300	300
Entertainment Expense	1,500	1,650
Seminars Expense	4,020	4,800
Discounts Allowed	27,203	28,067

EXHIBIT C

MILL SUPPLIES, INC.

Industrial Wholesale Distributors

P.O. BOX 11286 • FORT WAYNE, INDIANA 46857 • 515 FRANKE PARK DRIVE, FORT WAYNE, INDIANA 46808 • TELEPHONE: (219) 484-8566

May 27, 1983

Dept. Economic Development
8th Floor City-County Bldg.
One Main Street
Fort Wayne, IN 46802

Attn: Fred Baughman

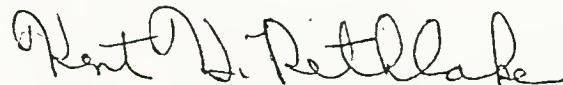
This is the follow-up letter to our application for "Loans Through Lenders" program which we submitted on May 13, 1983. Per your request, we have presented more detail on question "C" listed under Section III on the loan application.

The original application shows \$75,000 to be used for purchase of a Computer System and related office equipment. A better estimate of this breakdown is as follows. Although we have not made a final decision on which Computer System we will purchase, the system we are currently leaning towards will have a purchase and installed price of \$65,000.00. This price includes both hardware and software with installation and proper on-site training. This will be the price for a complete turnkey system. The approximate balance of \$10,000 will be used to modify our office for this installation, and for the purchase of any additional office furniture needed to complete a proper installation.

Also, while reviewing the income projections submitted with our application I noticed an error in the calculation of the income taxes. The year ending 12-31-83 should show an income tax figure of \$12,564 and a net profit of \$47,477. The year ending 12-31-84 should show an income tax figure of \$18,124 and a net profit of \$67,954. The total tax and profit for the combined two years did not change. I applied the investment tax credit on the Computer System in the wrong year on the original projections.

If you have any questions regarding this letter, please contact me.

Sincerely,



Kent H. Rethlake, Controller
Mill Supplies, Inc.

KR/kn

cc:

MILL SUPPLIES, INC.



Industrial Wholesale Distributors

P.O. BOX 11286 • FORT WAYNE, INDIANA 46857 • 515 FRANKE PARK DRIVE, FORT WAYNE, INDIANA 46808 • TELEPHONE: (219) 484-8566

MILL SUPPLIES, INC.

SCHEDULE OF EXISTING DEBT AS OF MARCH 31, 1983

EXHIBIT E

CURRENT LIABILITIES

Current Portion of Long Term Liability	\$5,499.96
Note Payable - People's Trust	104,704.61
Accounts Payable-Trade	164,598.21

ACCRUED EXPENSES

Federal Income Tax	884.20
Gross & Supplemental Income Tax	2,845.85
Payroll Taxes	2,224.93
Property Taxes	6,123.42
Sales Tax Collected	2,064.51
Wages & Salaries	<u>9,169.64</u>

Total Current Liabilities \$298,115.33

LONG-TERM LIABILITIES

Note Payable - V. Brames	\$ 10,083.50
Less: Current Portion	<u>5,499.96</u>
Total Long-Term Liabilities	\$4,583.54
Total Liabilities	\$302,698.87

NOTE: The Corporation's Accounts Receivable and Inventory are used as Security against the revolving note with People's Trust Bank.

PERSONAL FINANCIAL STATEMENT

IMPORTANT: Read these directions before completing this Statement.

- If you are applying for individual credit in your own name and are relying on your own income or assets and not the income or assets of another person as the basis for repayment of the credit requested, complete only Sections 1 and 3.
- If you are applying for joint credit with another person, complete all Sections providing information in Section 2 about the joint applicant.
- If you are applying for individual credit, but are relying on income from alimony, child support, or separate maintenance or on the income or assets of another person as a basis for repayment of the credit requested, complete all Sections, providing information in Section 2 about the person whose alimony, support, or maintenance payments or income or assets you are relying.
- If this statement relates to your guaranty of the indebtedness of other person(s), firm(s) or corporation(s), complete Sections 1 and 3.

TO: **PEOPLES TRUST BANK**

913 CALHOUN ST.

FORT WAYNE, IN. 46802

SECTION 1 - INDIVIDUAL INFORMATION		(Type or Print)	SECTION 2 - OTHER PARTY INFORMATION		(Type or Print)
Name	James S. Beckstein		Name		
Residence Address	R. R. 1		Residence Address		
City, State & Zip	Markle, In. 46770		City, State & Zip		
Position or Occupation	President/Owner		Position or Occupation		
Business Name	Mill Supplies, Inc.		Business Name		
Business Address	515 Franke Park Drive		Business Address		
City, State & Zip	Fort Wayne, In. 46808		City, State & Zip		
Res. Phone	219-638-4673	Bus. Phone	219-484-8566	Res. Phone	Bus. Phone

SECTION 3 - STATEMENT OF FINANCIAL CONDITION AS OF

May 10

19,83

ASSETS (Do not include Assets of doubtful value)	In Dollars (Omit cents)	LIABILITIES	In Dollars (Omit cents)
Cash on hand and in banks	8 700	Notes payable to banks - secured	
U.S. Gov't. & Marketable Securities - see Schedule A	1 624	Notes payable to banks - unsecured	
Non-Marketable Securities - See Schedule B	191 331	Due to brokers	
Securities held by broker in margin accounts		Amounts payable to others - secured	105 000
Restricted or control stocks		Amounts payable to others - unsecured	
Partial interest in Real Estate Equities - see Schedule C	120 000	Accounts and bills due	
Real Estate Owned - see Schedule D	115 500	Unpaid income tax	
Loans Receivable		Other unpaid taxes and interest	
Automobiles and other personal property	11 000	Real estate mortgages payable - see Schedule D	45 000
Cash value-life insurance-see Schedule E		Other debts - itemize:	
Other assets - itemize:			
		TOTAL LIABILITIES	150 000
		NET WORTH	448 155
TOTAL ASSETS	448 155	TOTAL LIAB. AND NET WORTH	298 155

SOURCES OF INCOME FOR YEAR ENDED December 31, 1982

Salary, bonuses & commissions	\$ 79,300
Dividends	
Real estate income	19,800
Other income (Alimony, child support, or separate maintenance Income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation)	
TOTAL	\$ 99,100

CONTINGENT LIABILITIES

Do you have any contingent liabilities? If so, describe.

As indorser, co-maker or guarantor?

On leases or contracts?

Legal claims

Other special debt

Amount of contested income tax liens

PERSONAL INFORMATION

Do you have a will? Yes _____ if so, name of executor. Husband/Wife
with Advise & Services of Jerrald Crowell, At

Are you a partner or officer in any other venture? If so, describe.
No

Are you obligated to pay alimony, child support or separate maintenance
payments? If so, describe.

No

Are any assets pledged other than as described on schedules? If so, describe.

No

Income tax settled through (date) April 15, 1983

Are you a defendant in any suits or legal actions?
No

Personal bank accounts carried at:
State Bank of Markle
Indiana Bank

Have you ever been declared bankrupt? If so, describe.
No

(COMPLETE SCHEDULES AND SIGN ON REVERSE SIDE)

(USE ADDITIONAL SCHEDULES IF NECESSARY)

~~ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED~~
SCHEDULE A - U.S. GOVERNMENTS & MARKETABLE SECURITIES

Number of Shares or Face Value (Bonds)	Description	In Name Of	Are These Pledged?	Market Value
28	Richardson Merrell	James	No	1050
14	General Telephone	James & Janet	No	574

SCHEDULE B - NON-MARKETABLE SECURITIES

Number of Shares	Description	In Name Of	Are These Pledged?	Source of Value	Value
100	Mill Supplies, Inc.	James & Janet	No		191,331

SCHEDULE C - PARTIAL INTERESTS IN REAL ESTATE EQUITIES

Address & Type Of Property	Title In Name Of	% Of Ownership	Date Acquired	Cost	Market Value	Mortgage Maturity	Mortgage Amount
515 Franke Park Drive	Marian Bollinger	100	1/80	110,000	120,000	1/2000	105,000

SCHEDULE D - REAL ESTATE OWNED

Address & Type Of Property	Title In Name Of	Date Acquired	Cost	Market Value	Mortgage Maturity	Mortgage Amount
9.27 Acres Home	James & Janet	73	13,000	22,500		0
Barn	" "	76	67,000	75,000	10/1988	45,000

SCHEDULE E - LIFE INSURANCE CARRIED, INCLUDING N.S.L.I. AND GROUP INSURANCE

Name Of Insurance Company	Owner Of Policy	Beneficiary	Face Amount	Policy Loans	Cash Surrender Value
Mutual Security	Mill Supplies	Janet	250,000	0	0
Mutual Security	" "	Jim	250,000	0	0
Lincoln Life	Self	Janet	10,000	0	0
Lincoln Life	Self	Jim	10,000	0	0

SCHEDULE F - BANKS OR FINANCE COMPANIES WHERE CREDIT HAS BEEN OBTAINED

Name & Address Of Lender	Credit In The Name Of	Secured Or Unsecured?	Original Date	High Credit	Current Balance
State Bank of Markle	James & Janet	Secured	78	70,000	45,000

The information contained in this statement is provided for the purpose of obtaining, or maintaining credit with you on behalf of the undersigned, or persons, firms or corporations in whose behalf the undersigned may either severally or jointly with others, execute a guaranty in your favor. Each undersigned understands that you are relying on the information provided herein (including the designation made as to ownership of property) in deciding to grant or continue credit. Each undersigned represents and warrants that the information provided is true and complete and that you may consider this statement as continuing to be true and correct until a written notice of a change is given to you by the undersigned. You are authorized to make all inquiries you deem necessary to verify the accuracy of the statements made herein, and to determine my/our creditworthiness. You are authorized to answer questions about your credit experience with me/us.

Signature (Individual)

S.S. No. 303-38-8116

Date of Birth 8-15-37

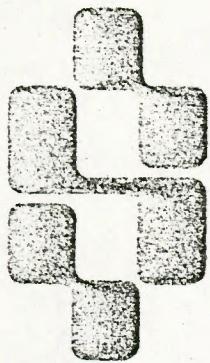
Signature (Other Party)

S.S. No. 305-38-4362

Date of Birth 1-1-40

Date Signed May 12

1983



Mr. Fred Baughman
Department of Economic Development
City-County Building, Room 840
One Main Street
Fort Wayne, Indiana 46802

May 24, 1983

RE: Mill Supplies, Inc.

Dear Mr. Baughman:

If an inducement resolution is granted to Mill Supplies, Inc., Peoples Trust Bank will provide a letter of credit in the amount of \$500,000.00 to secure the note. This commitment is being made to enable Mill Supplies to obtain a loan through the "Loans Through Lenders" program.

Sincerely,

Larry T. Sims
Assistant Vice President

LTS:lkp



The City of Fort Wayne

Division of Land Use Management

DEPARTMENT OF COMMUNITY DEVELOPMENT & PLANNING

8 June 1983

Mr. Fred Baughman, Coordinator
Economic Development Commission
City-County Building, 8th Floor
Fort Wayne, IN 46802

Re: Mill Supply, Inc.

Dear Mr. Baughman:

The legal description which is included in this application is not sufficient to verify exact zoning of the property, however, the land on either side of Industrial Road is either "M-2" General Industry or "M-3" Heavy Industry. Both zoning classifications will permit "Wholesale Distribution of Industrial Supplies and Tools".

Sincerely,

Gary F. Baeten
Gary F. Baeten
Senior Planner

GFB:pb